GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:20
ANSWERED ON:17.07.2017
Shortage of Supply in Worldâ€™s Coffee Market
Karandlaje Km. Shobha

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether shortage of supply in the world"s coffee market is likely to continue for the 3rd consecutive year with the output of robusta, sliding to a level not seen since 2012;
(b) if so, the details thereof and the reasons therefor;
(c) whether the Indian coffee exports have increased in view of the global shortage;
(d) if so, the details thereof; and
(e) the measures taken/being taken by Government to boost the production and export of coffee along with the financial and technical assistance provided to coffee growers during the last three years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

a) to e): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 20 FOR ANSWER ON 17TH JULY, 2017
REGARDING "SHORTAGE OF SUPPLY IN WORLD'S COFFEE MARKET".

(a) & (b): Yes, Madam. There is a short supply of coffee in the world coffee market and the production of Robusta in 2016 was recorded to be the lowest since 2012. The details of Robusta Coffee production as per International Coffee Organization(ICO) for the last 5 years is as under:
(in Metric Tonnes(MT))
2012 2013 2014 2015 2016
3560760 3718020 3754320 3789900 3385140

Global production estimates of Coffee for the current year is not available in the data source of ICO.
The lower production is mainly attributed to drought in Vietnam and Brazil and adverse weather conditions in Indonesia which are the largest Robusta coffee producers in the world.
(c) & (d): Yes, Madam. Indian coffee exports have increased during last three years from 2,72,323 tonnes in 2014-15 to 3,56,445 tonnes in 2016-17. The total quantum and value of coffee exported from the country during the last three years are as under:
Year Quantity (MT) Value (Rs. Crore)
2014-15 272323 4807
2015-16* 318059 5176
2016-17* 356445 5650
*based on permits issued.

(e): Central Government, through the Coffee Board, is promoting production and export of Coffee by implementing "Integrated Coffee Development Project". The scheme, inter alia, includes extending financial and technical support to boost the production and export of coffee through activities as detailed below:
(i) Financial support for replantation/expansion, creation of water harvesting and irrigation infrastructures and mechanization of coffee estate operations.
(ii) Technical assistance through research and extension by organising capacity building programmes, village level group meetings, conducting field demonstrations etc.
(iii) Supply of seeds / planting materials of improved high yielding disease / pest tolerant varieties, eco-friendly pest control tools like pheromone traps, broca traps, bio agents, analysis of soil for scientific nutrient management, etc.
(iv) Financial incentives towards export of high value green coffee to far off destinations viz., USA, Canada, Japan, Australia, New Zealand, South Korea, Finland and Norway and for export of value added coffee in retail packs as India brands.
(v) Participation in International and/or specialized fairs and exhibitions.
(vi) Organising Buyer Seller Meets.
(vii) Brand promotion activities and Media publicity.
(viii) Organising Flavour of India − The Fine Cup Award Competition, India International Coffee Festival and presenting Export Awards annually.

The details of financial and technical assistance provided to coffee growers during the last three years is given in Annexure-I& Annexure-II respectively.

Annexure-I

Coffee Board : Physical and Financial Achievement during 2014-15,2015-16 and 2016-17

Financial Amount in Rs. crores

Activity	2014-15		2015-16		2016-17		Total	
	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1. Development Support extended to growers of Traditional Coffee growing areas								
Replantation / Expansion (Ha.)	1931	3.8	1581	4.12	2388	7.63	5900	15.55
Water Augmentation / Quality Upgradation								
(No. of Units)	4588	9.25	4769	14.1	4162	12.7	13519	36.05
Support extended towards purchase of machinery for estate operations (No. of Machines)	9835	11.7	5494	5.84	3636	4.3	18965	21.84
Interest subvention provided to growers								
(No. of Growers)	1994	3.76	1102	1.43	541	2.35	3637	7.54
2. Coffee Development Programme in NTA								
Expansion / Consolidation in NTA(Ha.)	3683	3.9	4449	7.16	4003	3.36	12135	14.42
Quality Upgradation (Baby pulper/ Drying yards (Nos.)	1797		1313		1248		4358	
3.Coffee Development Programme in NER(In Ha.)								
Expansion / Consolidation in NER (Ha.)	855	2.56	486	2.52	523	3.51	1864	8.59
Quality Upgradation/ Water Augmentation in NER (No.of units)	301		66		175		542	
4.Export Promotion								
Support extended towards export of Value added coffee (Tonnes)	6918	2.78	11095	3.36	9580	4.76	27593	10.9
Support extended towards export of High Value coffee to far off destination (Tonnes)	8764		8871		11502		29137	
5.Support extended under value addition (No. of units)	11	1.83	13	2.19	20	1.85	44	5.87
Total		39.58		40.72		40.46		120.76

Annexure-II

Coffee Board : Technical Assistance given during 2014-15,2015-16 and 2016-17

Sl. No.	Technical Assistance	2014-15	2015-16	2016-17	Total
1	Supply of improved seed materials (in Tonnes)	19.8	18.2	18.7	56.7
2	Analysis of Soil / leaf / Agro-chemicals (Nos.)	8614	9388	6757	24759
3	Supply of Clones (Nos.)	61400	56400	91200	209000
4	Supply of Eco-friendly pest control traps (Pheromone and Broca traps) − Nos.	49100	53215	62685	165000

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